

THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1448.
FILED, MAY 26th. 1966.

LITTLE LONG LAC GOLD MINES LIMITED

Full corporate name of Company
Incorporated under the laws of the Province of Ontario
by Letters Patent dated the 26th day of January, 1933.
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 293.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	This Filing Statement is filed by Little Long Lac Gold Mines Limited (Little Long Lac) in respect to the proposed amalgamation of Little Long Lac and McKenzie Red Lake Gold Mines Limited (McKenzie). See Schedule "A" hereto for details of the proposed amalgamation. (See Schedule "A" on pages 3 and 4).
2. Head office address and any other office address.	The head office of Little Long Lac is Room 400, 112 King Street West, Toronto 1, Ontario.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President and Director - John Charles Leighton Allen, Stockbroker, 3 Clarendon Crescent, Toronto 7, Ontario; Vice-President and Director - Robert Crooks Stanley, Jr., Mining Executive, 578 Navesink River Road, Mounted Route #1, Red Bank, New Jersey, U. S. A.; Vice-President (Finance) and Director - Theodore David Carlson, Stockbroker, 15 Tito Lane, Wilton, Connecticut, U. S. A.; Treasurer and Director - Peter Keith Hanley, Stockbroker, 65 Trafalgar Road, Oakville, Ontario; Director - Peter Ackerman Allen, Since 1965 a Stockbroker and prior to that a Civil Engineer, 1 Clarendon Avenue, Apartment 405, Toronto 7, Ontario; Vice-President (Operations) - Frank Puckle, Mining Engineer, Kirkland Lake, Ontario; Secretary - Bessie Anderson Argo, Corporate Secretary, 3 Broadway Avenue, Apartment 64, Toronto 12, Ontario.
4. Share capitalization showing authorized and issued and outstanding capital.	The authorized capital of Little Long Lac is 2,000,000 shares without par value, 1,900,000 of which are outstanding as fully paid and non-assessable shares.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	There are no bonds, debentures, notes, mortgages, charges, liens or hypothecations of Little Long Lac outstanding at the date hereof.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	There are no treasury shares or other securities of Little Long Lac now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	There are no payments in cash or securities of Little Long Lac made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Little Long Lac proposes to mine a small block of ore estimated at 85,000 tons grading 0.20 ounce gold per ton on its mining property located in Dubuissou Township, in the Malartic Area, of the Province of Quebec. The said ore will be mined by Marban Gold Mines Limited (Marban) for Little Long Lac from Marban's underground workings immediately adjacent to Little Long Lac's property. Little Long Lac proposes to continue negotiations with a Canadian Steel Company with a view to arranging the exploration of the extensive iron formation occurrences located on Little Long Lac's original property in the Geraldton Area of Ontario. The mining operations formerly carried on by McKenzie Red Lake Gold Mines Limited at its property on McKenzie Island, Dome Township in the Red Lake area of the Province of Ontario, have now been terminated. The plant, machinery and equipment used in connection with such operations are currently being prepared for disposal and it is planned to dispose of such equipment at the best price obtainable at an early date. There are no plans to further explore the aforesaid mining property of McKenzie.

10. Brief statement of company's chief development work during past year.	The chief exploration and development work carried out by Little Long Lac during the past year was done on its aforesaid property in the Dubuissou Area of the Province of Quebec. Negotiations were also carried out with a Canadian Steel Company in connection with the exploration of the extensive iron formation occurrences located on Little Long Lac's original property in the Geraldton Area of Ontario.												
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Little Long Lac is in the process of completing the purchase from Oklend Gold Mines Limited of 34 patented mining claims and 31 licenses of occupation of lands located in the Township of Ashmore in the District of Thunder Bay for the sum of \$4,000.00.												
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable.												
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	There are no shares of Little Long Lac held in escrow or pool.												
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not applicable.												
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>As at the close of business on May 18th, 1966, the five largest registered shareholders of Little Long Lac are as follows:</p> <table> <thead> <tr> <th>NAME OF SHAREHOLDER</th><th>NO. OF SHARES</th></tr> </thead> <tbody> <tr> <td>Lun-Echo Gold Mines Limited, Room 400, 112 King Street West, Toronto 1, Ontario.</td><td>309,101</td></tr> <tr> <td>John C. L. Allen Limited, Room 405, 112 King Street West, Toronto 1, Ontario.</td><td>213,429</td></tr> <tr> <td>Robert C. Stanley, Jr., 578 Navesink River Road, Mounted Route #1, Red Bank, New Jersey, U. S. A.</td><td>175,001</td></tr> <tr> <td>John C. L. Allen Company, Room 405, 112 King Street West, Toronto 1, Ontario.</td><td>125,000</td></tr> <tr> <td>John C. L. Allen, 3 Clarendon Crescent, Toronto 7, Ontario.</td><td>101,001</td></tr> </tbody> </table> <p>Little Long Lac is advised that of the 213,429 shares of Little Long Lac registered in the name of John C. L. Allen Limited, Robert C. Stanley, Jr., aforesaid, is the owner of 28,219 shares and Lun-Echo Gold Mines Limited, aforesaid, is the owner of 159,373 shares.</p> <p>Little Long Lac is advised that Peter Ackerman Allen, Diana H. Allen and Adrienne B. Dubois are each the beneficial owner of a one-third interest in John C. L. Allen Company.</p>	NAME OF SHAREHOLDER	NO. OF SHARES	Lun-Echo Gold Mines Limited, Room 400, 112 King Street West, Toronto 1, Ontario.	309,101	John C. L. Allen Limited, Room 405, 112 King Street West, Toronto 1, Ontario.	213,429	Robert C. Stanley, Jr., 578 Navesink River Road, Mounted Route #1, Red Bank, New Jersey, U. S. A.	175,001	John C. L. Allen Company, Room 405, 112 King Street West, Toronto 1, Ontario.	125,000	John C. L. Allen, 3 Clarendon Crescent, Toronto 7, Ontario.	101,001
NAME OF SHAREHOLDER	NO. OF SHARES												
Lun-Echo Gold Mines Limited, Room 400, 112 King Street West, Toronto 1, Ontario.	309,101												
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John C. L. Allen Company, Room 405, 112 King Street West, Toronto 1, Ontario.	125,000												
John C. L. Allen, 3 Clarendon Crescent, Toronto 7, Ontario.	101,001												
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	J.C.L. Allen, aforesaid and R.C. Stanley, Jr., aforesaid, through their joint shareholdings in Little Long Lac are in a position to materially affect the control of Little Long Lac.												

THIS IS SCHEDULE "A" to the Filing Statement
of LITTLE LONG LAC GOLD MINES LIMITED
dated as of May 18, 1966

The details of the proposed amalgamation are as follows:

1. (a) Little Long Lac and McKenzie will amalgamate pursuant to the terms of an agreement made as of the 12th day of May, 1966 (the Amalgamation Agreement) providing for their amalgamation pursuant to The Corporations Act (Ontario) under the name "LITTLE LONG LAC GOLD MINES LIMITED" (the Amalgamated Company).

(b) Prior to the amalgamation, McKenzie will apply to the Lieutenant-Governor of the Province of Ontario for supplementary letters patent decreasing the authorized capital of McKenzie by:

- (i) cancelling pro rata 5,130,000 of the 5,400,000 issued shares of McKenzie; and
- (ii) cancelling the 2,100,000 unissued shares of McKenzie so that the authorized capital of McKenzie will be \$270,000, divided into 270,000 shares with a par value of \$1 each, all of which shares will be issued and outstanding.

(c) After the issue of the aforesaid supplementary letters patent to McKenzie, Little Long Lac and McKenzie will apply for letters patent under The Corporations Act to effect their amalgamation under the name "LITTLE LONG LAC GOLD MINES LIMITED".

2. The purpose of the amalgamation is to combine Little Long Lac and McKenzie into one corporate entity which will be stronger than either of Little Long Lac and McKenzie individually, and will have substantial interests in other mining or natural resource companies, experienced management and resources available for new investment and exploration opportunities, as they may arise.

3. The basis for converting the issued shares of each of Little Long Lac and McKenzie into shares of the Amalgamated Company is as follows:

- (i) for each one issued share of Little Long Lac,
one share of the Amalgamated Company;
- (ii) for each twenty issued shares of McKenzie
(which prior to the amalgamation will have been
in effect consolidated by supplementary letters
patent into one share), one share of the
Amalgamated Company.

On completion of the amalgamation, shares in the
Amalgamated Company will be outstanding as follows:

<u>Shares of</u> <u>Amalgamating Companies</u>	<u>Shares of</u> <u>Amalgamated Company</u>
(i) 1,900,000 outstanding Little Long Lac shares converted on a 1 for 1 basis into	1,900,000
(ii) 270,000 outstanding McKenzie shares (after the issue of supplementary letters patent in effect consolidating the issued shares of McKenzie on a 20 for 1 basis) converted on a 1 for 1 basis into.	<u>270,000</u> <u>2,170,000</u>

4. It is proposed that the provisional directors of the
Amalgamated Company will be John Charles Leighton Allen, Peter Ackerman
Allen, Theodore David Carlson, Peter Keith Hanley and Robert Crooks
Stanley, Jr., all of whom are now directors of Little Long Lac.

5. The amalgamation will be carried into effect only if the
shareholders of each of Little Long Lac and McKenzie duly approve all
corporate action to be taken in connection with the amalgamation.

The resolution passed as Special Resolution Number 3 of
McKenzie authorizing an application for supplementary letters patent
decreasing its authorized and issued capital must be confirmed by at
least two-thirds of the votes cast at the general meeting of share-
holders of McKenzie. The Amalgamation Agreement must be adopted by
at least two-thirds of the votes cast at the general meeting of the
shareholders of each of Little Long Lac and McKenzie and must there-
after be confirmed by Letters Patent of Amalgamation issued pursuant
to The Corporations Act. General meetings of the shareholders of
Little Long Lac and McKenzie have been called for Tuesday, June 14,
1966 for the purpose of obtaining the approval of the shareholders
to the above matters.

BALANCE SHEET

December 31, 1965

ASSETS		LIABILITIES	
CURRENT ASSETS		CURRENT LIABILITIES	
Cash	\$ -	Bank overdraft	\$ 8,969
Receivable for securities sold	-	Accounts payable and accrued liabilities	8,960
Receivable from associated companies	\$ 60,495	Income taxes	54,615
Accounts receivable	5,632		
Prepaid expenses	8,820		72,544
	74,947		167,527
	1,846,252		
INTEREST IN OTHER COMPANIES (note 1)		SHAREHOLDERS' EQUITY	
		Capital stock	
		Authorized - 2,000,000 shares of no par value	
		Issued - 1,900,000 shares	
		Retained earnings	
		1,272,160	
		730,832	
		453,015	
		1,725,175	
MINING PROPERTIES, CLAIMS, PARTICIPATIONS, EQUIPMENT, ETC.			
Mining properties and equipment	2		
Geraldton, Ontario at nominal value			
Mining claims in Dubuison Township, Quebec, held under development licenses, at cost	7,000		
	7,002		
OTHER ASSETS AND DEFERRED CHARGES		Approved on behalf of the Board:	
Office and other equipment at cost less accumulated depreciation	26,632	Director	
Exploration expenditures deferred	70,224	Director	
Leasehold improvements at cost less amortization	50,479		
	147,335		
	\$2,075,536	\$2,075,536	
		\$1,892,702	

LITTLE LONG LAC GOLD MINES LIMITED

NOTES TO FINANCIAL STATEMENTS

December 31, 1965

1. Interest in Other Companies

	<u>1965</u>	<u>1964</u>
Associated companies		
Listed - at cost		
(quoted market value \$1,571,000)	\$3,167,787	\$2,796,788
Other - at cost less amounts		
written off	352,138	352,138
Advances	<u>18,394</u>	<u>18,944</u>
	3,538,319	3,167,870
Shares in other companies at cost		
less amounts written off	<u>205</u>	<u>205</u>
	3,538,524	3,168,075
Less allowance for decline in value	<u>1,692,272</u>	<u>1,692,272</u>
	<u>\$1,846,252</u>	<u>\$1,475,803</u>

Powell Rouyn Gold Mines Limited was a subsidiary company in 1964 but in 1965 the company's interest was reduced to less than 50% and it is classified above as an associated company (the 1964 figures have also been reclassified).

2. Income Taxes

In computing taxable income the company claims unrealized losses on securities on the basis of the market value at each year-end. As a result of this procedure income taxes were reduced by \$150,000 (1964 were increased by \$46,000). In the accounts, provision for unrealized losses is made by appropriation of retained earnings.

3. Remuneration of Directors

The remuneration of directors, as such, was \$6,000 in 1965 (\$6,000 in 1964).

LITTLE LONG LAC GOLD MINES LIMITED

STATEMENT OF INCOME

For the year ended December 31, 1965

		<u>1964 for Comparison</u>
Revenue		
Management, engineering and office service charges to associated companies	\$483,200	\$487,700
Profit on securities	<u>14,027</u>	<u>7,087</u>
Interest received	<u>4,512</u>	<u>579</u>
	501,739	495,366
Expenses and Other Deductions		
Shut-down expenses - Geraldton property	131	1,782
Administrative and corporate expenses	254,522	264,225
Depreciation of office and other equipment	6,800	7,800
Amortization of leasehold improvements	6,250	6,050
Advances to associated companies		
written off (recovered)	1,219	(7,968)
Proportion of loss of subsidiary company (note 1)	<u>-</u>	<u>2,641</u>
	268,922	274,530
Income before income taxes	232,817	220,836
Income taxes (note 2)	<u>(45,000)</u>	<u>150,000</u>
Net Income for the year	<u>\$277,817</u>	<u>\$ 70,836</u>

STATEMENT OF RETAINED EARNINGS

For the year ended December 31, 1965

Balance January 1	\$453,015	\$306,354
Add		
Net income for the year	277,817	70,836
Unrequired portion of allowance for decline in value of shares in other companies	<u>-</u>	<u>75,825</u>
Balance December 31	<u>\$730,832</u>	<u>\$453,015</u>

LITTLE LONG LAC GOLD MINES LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the year ended December 31, 1965

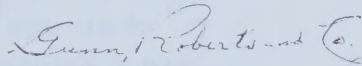
		1964 for Comparison
Source		
Net income for the year	\$277,817	\$ 70,836
Add depreciation and other non-cash items	<u>13,050</u>	<u>16,491</u>
	290,867	87,327
Sale of shares in associated and other companies less amount included in income	15,702	136,236
Decrease in working capital	<u>106,120</u>	<u>-</u>
	<u>\$412,689</u>	<u>\$223,563</u>
Application		
Investment in shares of associated companies	\$386,701	\$122,730
Advances to associated company	-	4,699
Exploration expenditures	23,477	28,170
Purchase of office equipment	1,256	2,424
Other items	1,255	2,944
Increase in working capital	<u>-</u>	<u>62,596</u>
	<u>\$412,689</u>	<u>\$223,563</u>
Working capital (current assets less current liabilities)		
January 1	\$108,523	\$ 45,927
December 31	<u>2,403</u>	<u>108,523</u>
Decrease (increase) during the year	<u>\$106,120</u>	<u>\$(62,596)</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Little Long Lac Gold Mines Limited as at December 31, 1965 and the statements of income and retained earnings for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of income and retained earnings present fairly the financial position of the company as at December 31, 1965 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the accompanying statement of source and application of funds for the year ended December 31, 1965. In our opinion the statement presents fairly the sources and applications of funds for the year.


GUNN, ROBERTS and CO.

Toronto, Canada
February 10, 1966

Chartered Accountants.

LITTLE LONG LAC GOLD MINES LIMITED
SUITE 400, 112 KING STREET WEST, TORONTO 1, CANADA • 366-9901

The Toronto Stock Exchange,
234 Bay Street,
Toronto 1, Ontario.

May 20, 1966

Little Long Lac Gold Mines Limited hereby certifies that no material changes occurred in the financial affairs of Little Long Lac Gold Mines Limited as reflected in its financial statements as at December 31, 1965, between January 1, 1966, and May 18, 1966, other than as at May 18, 1966, Little Long Lac increased its holdings of Trust Company Guaranteed Investment Certificates from Nil to \$50,000.00, and that between January 1, 1966, and May 18, 1966, Little Long Lac sold 5,000 shares of Lake Shore Mines, Limited and purchased 3,100 shares of Lake Shore Mines, Limited.

Yours very truly,

LITTLE LONG LAC GOLD MINES LIMITED,

By 
President

December 31, 1965

McKENZIE RED LAKE GOLD MINES LIMITED

STATEMENT OF INCOME

For the year ended December 31, 1965

		1964 for Comparison
Operating Revenue		
Bullion recovery	\$815,029	\$ 606,992
Assistance under the Emergency Gold Mining Assistance Act	<u>150,000</u>	<u>157,000</u>
	<u>965,029</u>	<u>763,992</u>
Operating Expenses		
Mine development (note 1)	254,513	354,302
Mining	289,840	297,640
Milling	172,349	169,626
Marketing expense	6,425	5,079
Mine office and supervision	39,678	50,544
General expenses at the property	104,056	113,227
Administrative and corporate expenses	<u>31,725</u>	<u>34,241</u>
	<u>898,586</u>	<u>1,024,659</u>
Operating profit (loss) before providing for depreciation	66,443	(260,667)
Depreciation	<u>34,000</u>	<u>42,500</u>
	<u>32,443</u>	<u>(303,167)</u>
Other Income		
Investment income (net)	6,433	9,261
Profit on securities	<u>84</u>	<u>3,990</u>
	<u>6,517</u>	<u>13,251</u>
Net income (loss) before special undernoted items	<u>38,960</u>	<u>(289,916)</u>
Deduct:		
Allowance to reduce supplies to estimated net realizable value	46,470	-
Allowance to reduce buildings, machinery and equipment to estimated net realizable value	<u>10,390</u>	<u>-</u>
	<u>56,860</u>	<u>-</u>
Loss for the year	<u>\$ 17,900</u>	<u>\$ 289,916</u>

Notes:

1. Mine development expenses includes a write-off of shaft sinking expenditures of \$158,043 in 1965 (\$176,687 in 1964).
2. The remuneration of directors, as such, was \$1,200 in 1965 (\$1,200 in 1964).
3. The company anticipates that mining operations will cease in March 1966.

McKENZIE RED LAKE GOLD MINES LIMITED

STATEMENT OF DEFICIT

For the year ended December 31, 1965

		1964 for Comparison
Balance January 1	\$2,145,737	\$ 245,771
Add:		
Loss for the year	17,900	289,916
Mining properties written down to nominal value	<u>-</u>	<u>1,610,050</u>
Balance December 31	<u>\$2,163,637</u>	<u>\$2,145,737</u>

McKENZIE RED LAKE GOLD MINES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended December 31, 1965

		1964 for Comparison
Source		
Depreciation and other non-cash items	\$259,929	
Deduct loss for 1965	<u>17,900</u>	
	242,029	
Proceeds on sale of fixed assets	650	\$ 10,569
Other items	49,314	37,499
Decrease in working capital	<u>-</u>	<u>210,420</u>
	<u>\$291,993</u>	<u>\$258,488</u>
Application		
Loss for 1964		\$289,916
Deduct depreciation and other non-cash items		<u>73,781</u>
		216,135
Purchase of fixed assets	\$ 960	42,353
Increase in working capital	<u>291,033</u>	<u>-</u>
	<u>\$291,993</u>	<u>\$258,488</u>
Working Capital (current assets less current liabilities)		
At January 1	\$130,403	\$ 340,823
At December 31	<u>421,436</u>	<u>130,403</u>
Increase or (decrease) during the year	<u>\$291,033</u>	<u>\$(210,420)</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of McKenzie Red Lake Gold Mines Limited as at December 31, 1965 and the statements of income and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statements of income and deficit present fairly the financial position of the company as at December 31, 1965 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

We have also examined the accompanying statement of source and application of funds for the year ended December 31, 1965. In our opinion the statement presents fairly the sources and applications of funds for the year.

Gunn, Roberts and Co.
GUNN, ROBERTS and CO.

Chartered Accountants.

Toronto, Canada
February 24, 1966



McKENZIE RED LAKE GOLD MINES LIMITED

SUITE 400, 112 KING STREET WEST, TORONTO 1, CANADA • 366-9901

May 20, 1966

Toronto Stock Exchange,
234 Bay Street,
Toronto 1, Ontario.

McKenzie Red Lake Gold Mines Limited hereby certifies that no material changes occurred in the financial affairs of McKenzie Red Lake Gold Mines Limited as reflected in its financial statements as at December 31, 1965, between January 1, 1966, and May 18, 1966, other than as at May 18, 1966, McKenzie increased its holdings of Trust Company Guaranteed Investment Certificates from \$298,000.00 to \$397,000.00.

Yours very truly,

McKENZIE RED LAKE GOLD MINES LIMITED,

By 

President

LITTLE LONG LAC GOLD MINES LIMITED
(The Amalgamated Company)

PRO FORMA BALANCE SHEET

December 31, 1965
(unaudited)

ASSETS		LIABILITIES	
CURRENT ASSETS		CURRENT LIABILITIES	
Cash	\$ 14,985	Bank overdraft	\$ 8,969
Trust company short term deposits	298,000	Accounts payable and accrued liabilities	57,916
Bullion at net realizable value	64,029	Income taxes	<u>54,615</u>
Receivable from associated companies	57,022		\$ 121,500
Accounts receivable	8,769		
Amount receivable under the Emergency Gold Mining Assistance Act	43,880	SHAREHOLDERS' EQUITY	
Prepaid expenses	<u>16,034</u>	Capital stock (note 2)	
		Authorized - 3,500,000 shares without par value	
SUPPLIES at estimated realizable value	\$ 503,319	Issued	1,542,160
	85,000	Contributed surplus	365,587
INTEREST IN OTHER COMPANIES (note 7)	1,888,272	Retained earnings	<u>730,832</u>
			2,638,579
FIXED ASSETS			
Buildings, machinery and equipment			
McKenzie Division at estimated realizable value	125,000		
Lac Division at nominal value	1		
Mining properties in the Geraldton and Red Lake Areas, Ontario at nominal values	2		
Mining concession and claims in Dubuissou Township, Quebec, at cost	7,000		
Office and other equipment at cost less accumulated depreciation	<u>26,632</u>		
	158,635		
OTHER ASSETS			
Bond deposited under power contract, at cost	4,150		
Exploration expenditures deferred,			
Dubuissou Township	70,224		
Leasehold improvements at cost less amortization	<u>50,479</u>		
	124,853		
	<u>\$2,760,079</u>		
			<u>\$2,760,079</u>

LITTLE LONG LAC GOLD MINES LIMITED

(The Amalgamated Company)

NOTES TO PRO FORMA BALANCE SHEET

1. PRO FORMA TRANSACTIONS

The pro forma balance sheet gives effect as at December 31, 1965 to:

- (a) the obtaining of supplementary letters patent reducing the issued shares of McKenzie Red Lake Gold Mines Limited from 5,400,000 shares to 270,000 shares,
- (b) the elimination of the deficit of McKenzie Red Lake Gold Mines Limited by applying it to contributed surplus, and
- (c) the proposed statutory amalgamation of Little Long Lac Gold Mines Limited and McKenzie Red Lake Gold Mines Limited under the provisions of The Corporations Act of Ontario to form one company under the name of Little Long Lac Gold Mines Limited.

2. ISSUED CAPITAL

	McKenzie Par value	Lac No par value	Amalgamated Company No par value
Balances December 31, 1965			
McKenzie 5,400,000 shares	\$5,400,000		
Lac 1,900,000 shares		\$1,272,160	
Cancellation of 5,130,000 shares of McKenzie	<u>5,130,000</u>		
Balance on amalgamation	<u>\$ 270,000</u>	<u>\$1,272,160</u>	<u>\$1,542,160</u>

3. CONTRIBUTED SURPLUS

	McKenzie Par value	Lac No par value	Amalgamated Company No par value
From cancellation of 5,130,000 shares	\$5,130,000		
Deduct discount thereon	<u>2,470,737</u>		
	2,659,263		
Deficit written off	(2,163,637)		
Discount on remaining outstanding shares written off on conversion of par value shares for shares of no par value (note 2)	<u>(130,039)</u>		
Balance on amalgamation	<u>\$ 365,587</u>		<u>\$365,587</u>

4. INCOME TAXES

In computing taxable income the company claims unrealized losses on securities on the basis of the market value at each year end. As a result of this procedure the company has claimed for income taxes losses on securities which have not been charged to income but which have been provided for by appropriation of retained earnings. There is a contingent liability for income taxes of approximately \$965,000.

5. The mining operations of McKenzie Red Lake Gold Mines Limited ceased in March, 1966.

6. No provision has been made for the costs to be incurred in effecting the amalgamation, estimated at \$25,000.

7. INTEREST IN OTHER COMPANIES

Associated companies		
Listed - at cost		
(quoted market value \$1,571,000)		\$3,167,787
Other - at cost less amounts written off		352,138
Advances		<u>18,394</u>
		3,538,319
Shares in other companies at cost less amounts written off (quoted market value \$57,600)		<u>42,225</u>
		3,580,544
Less allowance for decline in value		<u>1,692,272</u>
		<u>\$1,888,272</u>

17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	LITTLE LONG LAC <u>HOLDINGS</u>	<u>Number of Shares</u>	<u>Book Value</u>	<u>Market Value</u>
	Allard River Mines Limited	300,000	\$ 1.00	Unlisted
	Boise Yellowknife Gold Mines Limited	1,000	199.00	Unlisted
	Camray Mines Limited	21,400	1.00	Unlisted
	Dajoty Mines Limited	40,000	1.00	Unlisted
	Gerido Lake Mines Limited	250,000	1.00	Unlisted
	Lake Shore Mines Limited	694,420	2,301,348.56	\$1,979,097.00
	Le Moyne Explorations Limited	29,999	1.00	Unlisted
	Northern Athabaska Petroleums Limited	7,000	1.00	Unlisted
	Perron Gold Mines Limited	1,049,183	379,370.10	94,426.47
	Powell Rouyn Gold Mines Limited	798,569	487,469.43	287,484.84
	South American Gold Areas Limited	4,500	1.00	Unlisted
	Vulcan Mines Limited	260,864	352,136.17	Unlisted
	Zulapa Mining Corporation Limited	45,000	<u>1.00</u>	<u>10,125.00</u>
			\$3,520,531.26	\$2,371,133.31

Note - In the event that the amalgamation of Little Long Lac and McKenzie is implemented, the Amalgamated Company will acquire all the investments of McKenzie which at May 18, 1966 consist of trust company short term deposits in the amount of \$397,000 and 1,980 shares of Northern and Central Gas Company Limited which have a book value of \$42,020.60 and a market value as at May 18, 1966 of \$56,182.50.

18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no lawsuits pending or in process against Little Long Lac or its properties. However, Little Long Lac has received assessments under the Income Tax Act (Canada) and The Corporations Tax Act (Ontario) for the years 1961, 1962 and 1963, for additional taxes (with interest) in the aggregate of \$9,372.81. These additional taxes have been paid, but Little Long Lac has objected to the assessments. If such objections are successful, the additional taxes paid will be refunded.
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	<p>Little Long Lac has management arrangements with 27 certain mining companies within the "Little Long Lac Group of Companies" whereby Little Long Lac provides managerial, engineering and secretarial services to the said companies and received management fees in consideration thereof.</p> <p>There are no material contracts entered into by Little Long Lac which are still in effect and not disclosed in the foregoing.</p>
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	<p>(a) This statement is filed pursuant to the rules and regulations of the Toronto Stock Exchange in respect to the matter referred to in Item 1 above, which Little Long Lac understands to be classed as a "material change".</p> <p>(b) No shares of Little Long Lac are presently in the course of primary distribution.</p> <p>(c) There are no other relevant material facts.</p>

CERTIFICATE OF THE COMPANY

DATED May 18th, 1966

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"J.C.L. Allen"

"P.K. Hanley"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

CORPORATE SEAL

Director
Director

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

